Union of Myanmar
Form (2) Sr. No 6199
Dated 29.10.99
Myanmar Investment Commission

The Myanmar Investment Commission

PERMIT

Permit No. 329/99 Date 29th OCTOBER 1999

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MR. LEE FUNG TAI

(b) Citizenship AUSTRALIAN

(c) Address UNIT 1, 6/F, LEE SUM FACTORY BUILDING, 23 SZE MEI STREET, SANPOKONG, KOWLOON, HONG KONG

(d) Name and address of principal organization CHAPMAN DEVELOPMENT LTD, UNIT 1,6/F,LEE SUM FACTORY BUILDING,23 SZE MEI STREET, SANPOKONG,KOWLOON, HONG KONG

(e) Place of incorporation HONG KONG

(f) Type of business in which investment is to be made MANUFACTURING OF GARMENT (KNITWEAR)

(g) Place (s) at which investment is permitted GARMENT FACTORY NO.3, THANLYIN THILAWA ROAD, THANLYIN TOWNSHIP, YANGON DIVISION.

(h) Amount of foreign capital US $ 2.50 MILLION

(i) Period for bringing in foreign capital WITHIN TWO YEARS AFTER INCORPORATION OF COMPANY

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 2.50 MILLION

(k) Permitted duration of investment 15 YEARS

(l) Name of the economic organization to be formed in Myanmar YANGON MING HOI GARMENT MANUFACTURING LTD.

Chairman
The Myanmar Investment Commission

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်
(၂) စာအမှတ် ၆၁၉၉
နေ့စွဲ ၂၉-၁၀-၉၉

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၃၂၉/၉၉

၁၉၉၉ ခုနှစ်၊ အောက်တိုဘာလ ၂၉ ရက်။

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် MR. LEE FUNG TAI

(ခ) မည်သည့်နိုင်ငံသား AUSTRALIAN

(ဂ) နေရပ်လိပ်စာ UNIT 1, 6/F, LEE SUM FACTORY BUILDING, 23 SZE MEI STREET, SANPOKONG, KOWLOON, HONG KONG

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ CHAPMAN DEVELOPMENT LTD, UNIT 1, 6/F, LEE SUM FACTORY BUILDING, 23 SZE MEI STREET, SANPOKONG, KOWLOON, HONG KONG

(င) ဖွဲ့စည်းရာအရပ် HONG KONG

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား အသင့်ချုပ်ပြီး အထည်များ ထုတ်လုပ်ခြင်း လုပ်ငန်း (စက်တိုးထည်)

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) သန်လျင်အထည်ချုပ်စက်ရုံ အမှတ်(၃)၊ သန်လျင်သီလဝါလမ်း၊ သန်လျင်မြို့နယ်၊ ရန်ကုန်တိုင်း

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၂.၅သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကုမ္ပဏီတည်ထောင်ပြီး (၂) နှစ်အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၂.၅သန်း နှင့်ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း (၁၅) နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည် YANGON MING HOI GARMENT MANUFACTURING LTD.

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

GOVERNMENT OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

653 / 691, Merchant Street, Yangon.

Our ref : Ya Ka-1/481/99(6199)
Dated : 29th October 1999.

Tel : 272219, 272855
Fax : 095-01-282101

Subject : **Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Garment (Knitwear)" under the name of "Yangon Ming Hoi Garment Manufacturing Ltd.".**

Reference: Ministry of Industry (1) Letter No.41/1 Sa (1)(5357)/99 (5958) dated 31-8-99.

1. The Myanmar Investment Commission, at its meeting 15/99 held on 3-9-99 had reviewed the proposal for investment in "Manufacturing of Garment (Knitwear)" under the name of "Yangon Ming Hoi Garment Manufacturing Ltd." submitted by Chapman Development Ltd. of Hong Kong as a wholly foreign owned investment.. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting 37/99 held on 21-10-99 resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 15(Fifteen) years from the date of signing of the Lease Agreement and extendible for another 5(Five) years upon mutual agreement between Myanma Textile Industries and Yangon Ming Hoi Garment Manufacturing Ltd.. At the end of the Lease Period, Yangon Ming Hoi Garment Manufacturing Ltd. shall transfer the land and the buildings to Myanma Textile Industries within 3(Three) Months in good conditions without any consideration.

4. The annual rent shall be US $ 100,000 (United States Dollars One Hundred Thousand Only) per annum for the Project area of 5.71 acres (23139.71 square meter) to Myanma Textile Industries within 7(Seven) days after Myanma Textile Industries has handed over the leased properties to Yangon Ming Hoi Garment Manufacturing Ltd. for the first year. The annual payment of US $ 100,000 (United States Dollars One Hundred Thousand Only) for the second year onwards shall be paid on the first day of every calendar year. The rent shall be reviewed in view of prevailing annual rent after every 5(Five) years period and the rate of increase of the rent shall not be more than 15(Fifteen) percent of the rate of the preceding annual rent.

5. In issuing this "Permit" the Commission has granted the following exemptions and reliefs:
   (a) As per Section-21(a), exemption from income-tax up to 36(Thirty Six) months starting from the month of commencement of commercial operation.
   (b) As per Section-21(b), regarding exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the

reserve is made, Yangon Ming Hoi Garment Manufacturing Ltd. shall apply for such exemption only after 3-year tax holiday period.

(c) As per Section-21(c), Yangon Ming Hoi Garment Manufacturing Ltd. shall be granted to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment. However, Yangon Ming Hoi Garment Manufacturing Ltd. shall have to apply to the Commission such rates of depreciation.

(d) As per Section-21(d), relief from income tax up to 50 percent on profits accrued from exports, such relief has to be applied, upon actual performance, following 3-year tax holiday period.

(e) As per Section-21(e), Yangon Ming Hoi Garment Manufacturing Ltd. shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per Section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per Section-21(g), regarding the right to deduct from the assessable income such expenses incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, Yangon Ming Hoi Garment Manufacturing Ltd. shall apply, upon actual performance of such research and development programme, only after 3-year tax holiday period.

(h) As per Section-21(h), regarding right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, Yangon Ming Hoi Garment Manufacturing Ltd. shall file the case, if any, to the Ministry of Finance and Revenue in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per Section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per Section-21(j), exemption from customs duty and all other internal taxes on such raw materials and additional import of machinery, equipment and spare parts which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction.

6. Yangon Ming Hoi Garment Manufacturing Ltd. shall have to sign One Hundred Percent Foreign Investment Contract and the Lease Agreement with the Myanma Textile Industries. After signing such Agreements, (5) copies each of those shall have to be forwarded to the Commission.

7. Yangon Ming Hoi Garment Manufacturing Ltd., in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

8. Yangon Ming Hoi Garment Manufacturing Ltd. shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

9. The official date of operation shall be reported to the Commission.

10. Yangon Ming Hoi Garment Manufacturing Ltd. shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

11. The Commission approves periodical appointments of foreign experts and technicians from abroad as per Proposal. Yangon Ming Hoi Garment Manufacturing Ltd. shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

12. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner.

(a) The amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened.

(b) The detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Sub-Committee.

13. Whenever Yangon Ming Hoi Garment Manufacturing Ltd. brings in foreign capital defined under Section 2(h) of the said Law, other than foreign currency in the manner stated in paragraph 12(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

14. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure(1)]

15. Yangon Ming Hoi Garment Manufacturing Ltd. shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

16. Yangon Ming Hoi Garment Manufacturing Ltd. shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94 (0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

17. Yangon Ming Hoi Garment Manufacturing Ltd. shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-7/408/94 (0424) dated 29-6-94 [Annexure(3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment and raw materials required during the initial 3-year operation period.

18. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Yangon Ming Hoi Garment Manufacturing Ltd..

19. Yangon Ming Hoi Garment Manufacturing Ltd., in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

By Order,

Brig-Gen Maung Maung
Secretary

Mr. Lee Fung Tai
Chapman Development Ltd.

c/o Managing Director
Myanma Textile Industries

cc:
1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Office of the Strategic Studies, Ministry of Defence
5. Ministry of National Planning and Economic Development
6. Ministry of Finance and Revenue
7. Ministry of Commerce
8. Ministry of Industry (1)
9. Ministry of Foreign Affairs
10. Ministry of Home Affairs
11. Ministry of Immigration and Population
12. Ministry of Labour
13. Ministry of Electric Power
14. Chairman, Committee for Assisting the Myanmar Investment Commission (Governor, Central Bank of Myanmar)
15. Chairman, Foreign Capital Evaluation Sub-Committee (Director General, Central Equipment Statistics and Inspection Department)
16. Director General, Directorate of Investment and Company Administration
17. Director General, Customs Department
18. Director General, Internal Revenue Department
19. Managing Director, Myanma Foreign Trade Bank
20. Managing Director, Myanma Investment and Commercial Bank
21. Managing Director, Myanma Insurance
22. Managing Director, Myanma Electric Power Enterprise
23. Director General, Directorate of Trade
24. Director General, Immigration and National Registration Department
25. Director General, Directorate of Labour
26. Chairman, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)